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Farm financial assistance available through the farm financial planning program

by Mike Duffy, extension economist, 515-294-6160, mduffy@iastate.edu

Farm Financial Planning is Iowa State University Extension's farm financial analysis program. It consists of one-on-one financial counseling, a computerized analysis of the farm business, and referral to other extension programs or outside services that may be useful.

Who is it for?

Farm Financial Planning is for anyone who wants to understand a complete picture of their farm financial situation. It helps take the guesswork out of whether or not a change would increase profitability and improve cash flow. A FINPACK analysis may provide a more in-depth evaluation of the farm business, which many lenders are requiring before they will extend further credit.

What does it do?

Farm Financial Planning helps you evaluate your farm business and determine whether or not a change is desirable. It provides an in-depth plan for the farm business so the operator and the lender can make decisions for the future. Farm Financial Planning helps answer three basic questions of sound business management.

- Where am I today?
- Where do I want to be in the future?
- How do I get there?

The computer analysis looks at profitability, liquidity, solvency, and risk-bearing ability. This information is provided for three or more alternative plans at a time. Examples of alternative plans could be the addition, expansion or phasing out of a livestock operation, or buying, selling or renting land. Farm Financial Planning can help evaluate ways to correct negative cash flow and profitability problems.

A trained extension associate meets with the family to discuss the results of the analysis and the possible effects if changes are made. The extension worker may introduce other farm and family financial materials or information about outside sources of help.

How much does it cost?

The service is currently available at no charge through a grant from CF Industries.

Who performs the analysis?

The Farm Financial Management associates are part-time extension employees with college degrees and special training in farm budgeting and financial analysis. They have farm backgrounds so they understand the current farm situation.

Is it confidential?

Yes. Only you and the associate will know the results of the analysis. Information will not be shared with other people without your permission.

How long does it take?

The first meeting with the associate to provide information from your records usually takes one to two hours. The second meeting may take anywhere from one to three hours. The time required is dependent upon the size and complexity of the operation.

How do I make an appointment?

To set up an appointment, contact the associate in your area. For more information, contact your ISU Extension county office or the Beginning Farmer Center at 1-877-232-1999.

Find the Farm Financial Associate in your area and more information at: <http://www.extension.iastate.edu/farmanalysis/>.

Updates, continued from page 1

Internet Updates

The following updates have been added on www.extension.iastate.edu/agdm.

Hail Damage Can Affect Crop Insurance Yields – A1-49 (2 pages)

Cost Terms – A2-06 (1 page)

Estimating Farm Machinery Costs – A3-29 (8 pages)

Combine Ownership or Custom Hire – A3-33 (8 pages)

Considerations When Selecting a Consultant – C5-60 (4 pages)

When to do and How to Use a Feasibility Study – C5-64 (3 pages)

Feasibility Study Outline – C5-66 (3 pages)

Writing a Business Plan – C5-68 (4 pages)

Create Your Own Business Plan – C5-69 (15 pages)

Business Strategy and the Board of Directors – C5-74 (2 pages)

Governance Issues Unique to Start-up Businesses – C5-75 (2 pages)

Board of Director Educational Needs – C5-76 (2 pages)

Steps for Using Trade Shows – C5-141 (2 pages)

Decision Tools and Current Profitability

The following tools have been added or updated on www.extension.iastate.edu/agdm.

Season Average Price Calculator – A2-15

Projected ACRE Payments for Iowa Crops – A1-33

Corn Profitability – A1-85

Soybean Profitability – A1-86

Ethanol Profitability – D1-10

Biodiesel Profitability – D1-15

Returns for Farrow-to-Finish - B1-30

Returns for Weaned Pigs - B1-33

Returns for Steer Calves - B1-35

Returns for Yearling Steers - B1-35

... and justice for all

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ing, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

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